

EXHIBIT A

BANQUE DU LIBAN

Basic Circular No. 154

Addressed to Banks and their External Auditors

Attached is a copy of Basic Decision No. 13262 of 27 August 2020 (Exceptional Measures to Revive the Business of Banks operating in Lebanon).

Beirut, 27 August 2020

The Governor of Banque du Liban

Riad Toufic Salamé

Basic Decision No. 13262

Exceptional Measures to Revive the Business of Banks operating in Lebanon

The Governor of Banque du Liban,

Pursuant to the Code of Money and Credit, in particular Articles 70, 79, 104, 140, 174, 187, and 188 thereof;

Pursuant to the provisions of Law No. 44 of 24 November 2015;

Considering the exceptional circumstances prevailing in the country; and

Pursuant to the Decision of the Central Council of Banque du Liban, taken in its meeting of 25 August 2020,

Decides the following:

Article 1:

Each bank must conduct a fair value assessment of its assets and liabilities that will help it to set up the plan mentioned in Article 11 of Basic Decision No. 6939 of 25 March 1998, in order to achieve, within a limited period of time, the following:

- Comply as necessary, albeit gradually, with all the legal texts and banking regulations applicable to banks, in particular those relating to liquidity and solvency.
- Revive its usual activities and services towards customers, at least up to their pre-October 2019 level.

Article 2:

First: 1- Without prejudice to Basic Decision No. 13217 of 9 April 2020, and in order to enhance their liquidity, particularly at their correspondent banks abroad, banks must urge any customer who has transferred abroad, between 1 July 2017 and the issuance date of this Decision, more than five hundred thousand dollars or their equivalent in other foreign currencies, to deposit in a 5-year term “special account” an amount equivalent to 15% of the transferred value.

The concerned bank shall be exempted, against any “special account”, from the foreign-currency reserve requirements at Banque du Liban.

- 2- Banks must urge their importing customers to transfer from abroad into a “special account” having the same conditions as specified in Subparagraph 1 above, an amount equivalent to 15% of the value of documentary credits opened in any of the three years 2017, 2018, and 2019.
- 3- The interest rate paid on the “special account” shall not be subject to the interest rate ceilings specified in Basic Decision No. 13100 of 3 September 2019 .

Second: Paragraph “First” of this Article shall be applicable to banks’ Chairmen and Board members, major shareholders, and Senior Executive Management, as well as to customers who are politically exposed persons (PEPs), whether directly or indirectly, or through companies owned by any of them. However, for the purpose of implementing this Paragraph “Second”, a proportion of 30% instead of 15% shall be applied.

Third: The concerned bank shall use mainly this type of deposits to facilitate foreign operations that stimulate the national economy.

Fourth: In order for its initiative to succeed, the concerned bank must adopt the appropriate legal framework that will govern its relationship with the concerned customer and consolidate his confidence regarding the recovery of his deposit upon the agreed term, regardless of circumstances.

Fifth: Each bank must provide the persons mentioned in this Article who complied with its provisions with an explicit written statement in this regard.

External auditors shall also reply, in the shortest possible time, to any request for information or clarification submitted by the Governor of Banque du Liban regarding the implementation and/or sound implementation of this Article by the bank subject to their control.

Article 3¹:

Each bank must constitute a foreign account free of any obligations at its correspondent banks abroad. Such account shall be at no time below 3% of the concerned bank’s total foreign-currency deposits as on 30 September 2022.

¹ This Article was amended by Intermediate Decision 13485 of 7 October 2022 (Intermediate Circular 645).

Article 4:

- First: Each bank must, in accordance with the plan it has set up as mentioned in Article 1 above, and following the assessment of its situation on an individual basis, request the approval of BDL Central Council to rebuild and/or increase its capital, as needed, during the first quarter of 2021, and once it has complied with all applicable legal texts and banking regulations.
- Second: The BDL Central Council shall take the relevant decision in light of the mandatory laws and applicable regulations.
- Third: Banks must take the necessary legal and regulatory measures to give their depositors the consensual possibility to convert their deposits into capital shares and/or into “redeemable, tradable, and convertible perpetual bonds” that may grant their holders, depending on the issuing bank’s wish, the preemptive right to subscribe to its capital increase, on condition that:
- The legal details and specificities of such operations are notified to the concerned person, as well as clearly and accurately explained to the latter.
 - The concerned depositors receive, in case their deposits are converted into shares, an updated estimation report of their shares value approved by BDL Central Council.
 - All the shares of the bank are exclusively listed and traded on the stock exchange in Lebanon, provided they comply with Lebanese sovereign laws and those governing the CMA (Capital Markets Authority) and the regulations issued by the latter .
 - The Chair of the Board at the concerned bank must be separated from its Management, in accordance with Article 153 of the Code of Commerce.
- Fourth: The selling price of the shares traded on the stock exchange as well as the selling price of the “redeemable, tradable, and convertible perpetual bonds” may be transferred abroad, in case the sale operation is executed with fresh funds as defined in Basic Decision No. 13217 of 9 April 2020.
- Fifth: The interest rate paid on the “redeemable, tradable, and convertible perpetual bonds” shall not be subject to the interest rate ceilings specified in BDL regulatory texts.

Article 5:

First: The bank that violates or refrains from implementing the provisions of this Decision shall:

- Be referred to the Higher Banking Commission, as per the provisions of Article 208 of the Code of Money and Credit, and incur the relevant administrative sanctions.
- Incur the penalties and penal sanctions stipulated in the Code of Money and Credit.
- Be subject to any of the provisions of Law No. 67/2 of 16 January 1967 (Defaulting banks) and Law No. 110 of 7 November 1991 (Reforming the banking sector).

Second: Any party that refrains from implementing the provisions of this Decision shall also incur, according to the case, the measures and sanctions specified in Law No. 44 of 24 November 2015 (AML/CFT Law), particularly with regard to the crimes mentioned in Paragraphs 9 and 21 of Article 1 thereof.

Article 6:

Pursuant to the provisions of Article 187 (1) of the Code of Money and Credit, the external auditors of each bank must verify the sound implementation of the provisions of this Decision.

They must also, pursuant to the last Paragraph of Article 7 of Law No. 44 of 24 November 2015 (AML/CFT Law), report promptly to the Chairman of the SIC the details of the operations they suspect to be concealing money-laundering or terrorist financing and which they are aware of in the course of performing their work.

Article 7:

This Decision shall come into effect upon its issuance.

Article 8:

This Decision shall be published in the Official Gazette.

Beirut, 27 August 2020

The Governor of Banque du Liban

Riad Toufic Salamé